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FEDERAL BUREAU OF INVESTIGATION
FOIPA DELETED PAGE INFORMATION SHEET

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1 Page(s) withheld for the following reason(s):
Duplicate copy of 95-211845-77. Letter 11/2/77.

For your information: _____

The following number is to be used for reference regarding these pages:
95-211845-83, Bulky

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- 1 - Mr. Ash
- ① - Mr. Kelleher
- 1 - Mr. Mintz

LAB FILE


The Deputy Attorney General

10/28/77

Director, FBI

- 1 - Legal Research Unit
- 1 - Mr. Mazzella

IN THE MATTER OF THE ESTATE OF
HOWARD ROBERT HUGHES, JR.,
DECEASED; EIGHTH JUDICIAL DISTRICT
COURT OF THE STATE OF NEVADA,
COUNTY OF CLARK,
LAS VEGAS, NEVADA
SUBPOENA MATTER


Jed J
(info)
see me pls
AWK
b7c

The purpose of this communication is to advise you of the receipt of subpoenas for the testimony of Special Agent (SA) James E. Lile, Document Examiner, Laboratory Division, and Mr. Quintus Ferguson, Fingerprint Specialist, Identification Division. It is my decision to decline to approve the appearance of Mr. Lile and Mr. Ferguson for purposes of testifying in captioned matter. Pursuant to the provisions of Title 28, Code of Federal Regulations (CFR), Section 16.24(b) (1976), as amended by Departmental Order 693-77, effective March 30, 1977, this matter is being referred to you for your review and final decision.

The following factual background is being provided to assist you in understanding the basis of my decision to resist these subpoenas.

At the request of the Attorney General for the State of Nevada, the so-called "Hornon Will" of Howard R. Hughes, Jr., and related materials were examined in the FBI Laboratory and Identification Division, in connection with a state criminal investigation of Melvin Dumar for forgery and perjury. Dumar was named in the will as one of the beneficiaries.

CM:kg
(8)

SEE NOTE PAGE 5

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4 Page(s) withheld for the following reason(s):
Duplicate copy of 95-211845-71, pages 2 thru 5 of
FBI letter 10/20/77 to Deputy Attorney General.

For your information: _____

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1 Page(s) withheld for the following reason(s):
Duplicate copy of 95-211845-68. FBI letter 10/18/77

For your information: _____

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2 Page(s) withheld for the following reason(s):
Duplicate copy of 95-211845-76, pages 1 and 2, FBI
MEMO 9/20/77.

For your information: _____

The following number is to be used for reference regarding these pages:
95-211845-83, Bulky.

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ELI BLUMENFELD LAW CORPORATION
1900 AVENUE OF THE STARS, SUITE 2440
CENTURY CITY
LOS ANGELES, CALIFORNIA 90067
TELEPHONE 553-2668

September 9, 1977

Director
Federal Bureau of Investigation
Assistant Director of Identification Laboratories
J. Edgar Hoover Building
Washington, D.C. 20535

Attention: Special Agent James E. Lile

Re: Estate of Howard Robard Hughes, Jr.

Dear Mr. Lile:

This confirms our telephonic agreement that you will be available to testify in the matter of the Estate of Howard Robard Hughes, Jr., deceased, during the period from November 20 to December 10, 1977. The trial in the above case has been scheduled to commence on October 3, 1977 at the Clark County Courthouse, at 200 East Carson Avenue, Las Vegas, Nevada. No
copy
m

At the time of your testimony, you have agreed to bring with you any and all reports, information and other documents used by you in any way in conducting your investigation and reaching your conclusions, as well as any reports on the results of such investigation with respect to the purported "Mormon Will."

It has been agreed that you will appear at the trial and bring the above material with you without the necessity of a subpoena issued in connection therewith. h
G

Please sign a copy of this letter indicating your agreement to appear, as set forth above, and return such copy in the enclosed self-addressed stamped envelope to the undersigned. As agreed, we will reimburse your office for any and all costs incurred in connection with your appearance in Las Vegas for this trial. Not a
form
to be

Thank you for your cooperation in this matter, and

James E. Lile
September 9, 1977
Page 2

please don't hesitate to call or write to the undersigned
if you have any questions with respect thereto.

Sincerely,

ELI BLUMENFELD

EB:ng
cc: Harold Rhoden

THE UNDERSIGNED agrees to appear to testify at the Clark
County Courthouse in Las Vegas, Nevada, in accordance
with the provisions set forth above.

*agreed
letter re
signed
return
of*

Date

JAMES E. LILE

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8 Page(s) withheld for the following reason(s):
Duplicate copy of 95-211845-62, FBI Memos 8/29/77
5/24/77, 7/12/77 And letter 5/24/77.

For your information: _____

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95-211845-83, Bulky

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1 Page(s) withheld for the following reason(s):
DUPLICATE COPY OF 95-211845-46. FBI MEMO 5/10/77.

For your information: _____

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3 Page(s) withheld for the following reason(s):
Duplicate copy of 95-211845-28, FBI Memo 3/4/77.

For your information: _____

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95-211845-83, Bulky.

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Dear Chester and Bill,

I do not understand why the problem of Hughes is not yet fully settled and why this bad publicity seems to continue. I could hurt our company's valuable properties in Nevada and also the entire state.

I believe my company is one of the biggest employers (if not the biggest) in the state, and surely what damages an entity employing this many Nevadans is bad for the state itself.)

You told me that, if I called Governor Taxalt and District Attorney George Franklin, it would put an end to this problem.

I made those calls, and I do not understand why this very damaging publicity should continue merely because the properly constituted board of directors of Hughes Tool Company decided, for reasons they considered just, to terminate all relationship with Mahen and Hooper.

I asked you to take whatever action is necessary to accomplish the objects briefly outlined above.

I ask you now please to inform the members of the board of Hughes Tool Company of my desires and feelings in respect to this matter.

It is not my wish to try to tell the board what action should be taken. That is their job. But it seems there has been some uncertainty as to where I stand and I want this cleared up at once.

I do not support Nelson or Stooper in their defiance of the Hughes Tool Company Board of Directors and I deeply desire all concerned to be fully aware of this immediately.

I ask you to do everything in your power to put an end to these problems, and further I ask you to obtain immediately a full accounting of any

and all funds and/or
property to which Mr.
Mahan may have had
access.

As I have said, this
matter has caused me
the very gravest concern,
and is damaging my
company and all the loyal
men and women associated
with me in the very
deepest and far-reaching
way.

My sincere regards,

Howard R. Hughes

PROXY

KNOW ALL MEN BY THESE PRESENTS, that I, HOWARD E. HUGHES

1. As the sole stockholder of (i) The Sands, Incorporated Nevada corporation, (ii) Desert Inn Improvement Company, a Nevada corporation, and (iii) Hughes Sports Network, Inc., a Delaware Corporation hereby constitute and appoint CHESTER C. DAVIS, RAYMOND M. HOLLIDAY, FRANK W. GAY, or a majority of them, my true and lawful attorneys, and in my name and stead to vote and to otherwise exercise all rights I may have as a stockholder (excepting only the rights and powers expressly denied hereinafter) with respect to any and all shares of the stock of the corporations at the time standing in my name, specifically including but not limited to, the following matters:

- (a) Amendment of the Articles of Incorporation or By-Laws of the corporations;
- (b) Election of persons (including anyone named herein as attorneys) as directors;
- (c) Removal of directors;
- (d) Call of stockholders meetings; and
- (e) Any and all actions with respect to management.

2. As the sole proprietor of the Silver Slipper, Clark Nevada, do hereby constitute and appoint CHESTER C. DAVIS, RAYMOND M. HOLLIDAY and FRANK W. GAY, or a majority of them, my true and lawful attorneys, for me and in my name and stead to exercise all rights I have as proprietor of The Silver Slipper (excepting only the rights and powers expressly denied hereinafter).

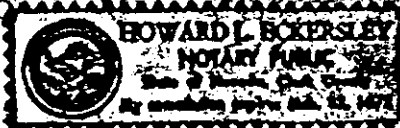
It is my intention that my said attorneys shall be authorized to exercise the foregoing powers in whatever manner, with respect to the aforementioned corporations and The Silver Slipper and at such times, as in their discretion shall appear desirable.

My attorneys shall not hereby have or exercise any right or power to assent or otherwise act with respect to any of the following matters:

- (a) Any sale or other disposition or transfer of any of said stock and proprietorship; or
- (b) Any change in the names of the corporations or of proprietorship.

This proxy shall be valid and may be exercised for the period permitted by law, unless sooner revoked.

Witness my hand and seal this 14th day of November 1970
Howard E. Hughes
 Dated: *14 November 1970*
 STATE OF NEVADA
 COUNTY OF CLARK



On this 14th day of November, 1970, before me, Notary Public, personally appeared Howard E. Hughes, to me known, who executed in my presence the foregoing instrument.

Howard L. Bickersley
 Notary Public

PLAINTIFFS
EXHIBIT
1a
C 71-72

W.L.

1. Is Chester Davis authorized to represent you in this McGraw-Hill matter without limitation, including obtaining all information from any bank?

Yes, also please contact

2. Did you, in 1965, grant to Rosemont Enterprises, Inc. the sole and exclusive right to publish your life story?

#2 Yes

3. Did you at any time authorize McGraw-Hill or Clifford Irving or anyone other than Rosemont to publish your autobiography or biography or any material relating to you? (This does not relate to copyrighted magazine articles you permitted to be published prior to 1960)

No. I would like to see these forgotten

4. I understand that Clifford Irving was born on November 5, 1939 and that his father before changing his name some time after 1930 was known as Jay Rasky, a cartoonist who drew a panel entitled "Patsy" about policemen and firemen which appeared in Collier's magazine. Have you ever met or do you know a Clifford Irving, or did you ever talk to him or did you ever communicate or correspond with him in any way or did you in any manner whatsoever otherwise collaborate with him or anyone else in the preparation of an autobiography or anything else to be published about you?

No. I do not know either

5. Did you furnish Clifford Irving or anyone (other than Rosemont) with any material of any kind, including tape recordings, either directly or through others for the purpose of an autobiography or for the publication of anything about you?

Not at any time

6. Did you sign or authorize the execution on your behalf of a contract with McGraw-Hill or Clifford Irving for the publication of anything by you or concerning you?

Same as above

7. Did you receive or authorize anyone else to receive any money directly or indirectly from McGraw-Hill or Clifford Irving for the publication of anything by you or concerning you or for anything else?

No

8. When is the last time you personally endorsed a check for any reason?

More than 10 years ago

9. Did you ever give McGraw-Hill, Clifford Irving or anyone else instructions of any kind relating to the publication of anything concerning you?

Absolutely not

10. The original press release issued by McGraw-Hill states that the purported "autobiography" was substantially based on taping sessions with you over a period of many months during 1971. Other than what you may have done with respect to copyrighted articles which appeared prior to 1960, have you ever dictated, written or prepared any tapes, manuscripts or recordings relating to your life or to any incidents in your life for the purpose of the publication of any kind of biography or for any other purpose?

No

11. It has been suggested that someone may have had access to handwritten notes or memoranda or other communications in your handwriting or of tapes of conversations with you which could have become available to others. With the exception of tapes or other material in connection with the copyrighted articles that were published prior to 1960, the message to me and Bill Gay during the Mahou litigation and the letters you wrote last year to the Nevada State Gaming Commission, are you aware of the existence of any authentic material of the types described which could have become available?

None should be available

12. Did you ever start to write your autobiography or did you ever tell any of your assistants that you were writing an autobiography and ask any of them to deny it if questioned?

Absolutely not

Stewart P. ...

V

The BOARD OF REGENTS OF THE UNIVERSITY OF NEVADA

hereby accepts this pledge of HOWARD R. HUGHES and all the terms and conditions of this Agreement and in consideration of and in reliance on this pledge the said BOARD OF REGENTS has taken and will continue to take steps to establish said Medical School and has and will incur obligations, seek funds, grants, endowments, gifts and pledges from the Federal Government, public and private corporations, institutions, foundations, individuals and other sources to be used for the same purposes as herein expressed.


IN WITNESS WHEREOF, the parties hereto affix their signatures.



HOWARD R. HUGHES
Party of the First Part

APPROVED:

HARVEY DICKERSON
Attorney General of Nevada

BOARD OF REGENTS OF THE
UNIVERSITY OF NEVADA

By  12-30-68
DANIEL R. WALSH
Chief Deputy Attorney General

By  M.D.
FRED M. ANDERSON, M.D.
Chairman of the Board
of Regents
Party of the Second Part

THE STATE OF NEVADA:
COUNTY OF CLARK:

KNOW ALL MEN BY THESE PRESENTS:

That I, HOWARD R. HUGHES, a resident of Las Vegas, Clark County, Nevada, do by these presents make, constitute and appoint RICHARD GRAY, of Houston, Harris County, Texas, my true and lawful agent and attorney-in-fact, and my said agent and attorney-in-fact shall be and is hereby authorized and empowered in my name and on my behalf, to the same extent and for all intents and purposes as if I were acting in person, to do and perform the following acts and deeds:

1. To prepare and file, or cause to be prepared and filed, in my name any, and all applications, affidavits, supporting schedules and other documents required, necessary, or proper in connection therewith, with the Nevada Gaming Commission, the Nevada Gaming Control Board and any and all governmental or regulatory agencies or authorities of the State of Nevada and any political subdivision thereof, for gaming licenses to be issued to me, the said Howard R. Hughes, in accordance with the laws of the State of Nevada, and regulations promulgated thereunder.

2. To apply for and obtain, in my name, and to furnish or cause to be furnished any and all necessary information which may be required in connection therewith, any and all licenses, authorizations or permits to carry on a hotel and gaming business on premises known as the Desert Inn in Las Vegas, Clark County, Nevada.

IN WITNESS WHEREOF, I have hereunto set my hand and seal

24th day of March, 1967.

WITNESSES:

Howard R. Hughes
Richard Gray

1/16/67

Bob -

You ask my advice
The only alternative
involved here is the opportunity
up some of these properties for
benefit. However, this may
be lost.

We may perhaps be able to
obtain an option on these prop
if we work quickly enough
tonight. You will need my
assistance and I will work
more effectively if we have the
hotel deal settled first. Why
don't you see me and tell me
everything this bastard's train
has done to us and how terrible
upset you are about it. Some
times a friend will do some
thing out of sympathy he will
not do for any other reason.

Why not tell me you are
going to be simply immersed in
the responsibility of trying to
to recapture the position
position of exclusivity we
we previously enjoyed in
this mining field. What
will be a full time job and
you are having one of your
men come out to take over
the dealings with me
as you hate to do it.

Then this might lead to a situation where you could suggest adroitly to Mol that if we could wrap this up tonight - you would not have to turn the Stardust deal over to somebody else, and you would get the credit for closing the Stardust deal instead of the man from Houston.

You may be surprised, Bob, but many times a man like Mol will make concessions on a business deal like this for a friend's personal benefit - when he would never make the same concession because he is driven to it by bargaining.

I mean, for example that I believe Mol would go further as a gesture of personal friendship to you than he ever would as the result of negotiating pressure brought by me. You all know I try to bargain Mol into a deal, his pride asserts itself and he says "never". Whereas, as a favor and gesture of personal friendship to you when you are depressed by

the treachery of a trusted employ
who betrayed your trust, I see
might easily do what he would
not do for me.

Anyway, please try,

Stoward

I urge you not to fire Meier
until we discuss him just
a little more. Let's please
dispose of Noel and then I will
give my full attention to Meier.
I just simply have a one-channel
mind, please forgive me,

St

3/11/68

Bob,

I have sent for somebody from Houston to run down with Moes fiscal people and straighten out the misunderstandings we seem to be having re the translation of his balance sheet into a fair price to us.

I would have liked to reach a trade with Moes before the man arrives that is fine. If not, I feel the injection of this man into the picture at the accounting level will be helpful.

I want only to make a fair deal and I think that is what Moes wants, also.

Now to get to brass tacks while this man is on the way, let me put it this way: There is a 5 million spread between Moes deal and the balance sheet valuation. This valuation must, by necessity, make certain estimates as to what we will obtain for the casino, oil and other receivables. We must estimate about the value of these and must assume we will have to pay all of this on the total we must pay for the Moes price.

Price: 31,200,000
Liabilities we must pay in full: 2,425,000

Total amount: 33,625,000
S.T. Liabilities: 275,000
Total: 34,000,000

As against this, I calculate
my own valuation of the
assets we will receive as
follows:

Assets from other entity: 26,668,000

Outdoor theater: 7,000,000

Total: 29,368,000

Long term liabilities: 275,000

Difference: Price vs. Balance
Sheet: 4,632,000

700
700
700
500

4,632,000

11/24/69

Bob, several things

1. Are you confident the license of both Shapiro and Hardust will be granted if we go ahead?

2. What progress did your man make on Bonanza?

3. I am very unhappy about the publicity we received today. So please don't let any more news leak out and please ask mol the same until we make a final all-out decision.

4. What progress has mol made on the theater property? Please have him pursue this diligently. This seems to be the only possible gimmick that might bridge the gap between us. I am not going to pay his full price with no compromise on his part toward resolving this misunderstanding and that is what it is, a complete misunderstanding. I paid any thing for it and will on the other hand without my funds. I was told that if I was buying it, also that it would never get

Every thing

Bob -

I have information that there are substantial renovation and expansion programs underway both the Slipper and Hardu. Also, I understand the Slipper has some sporting events booked this month that are very big draws. So, I feel you should set up a program aimed at making sure we get a top quality job in the workmanship of the expansion described above and we don't pay an unwarranted price for it. Also that we collect all the additional revenue from the choice sporting events and the casino revenue they produce.

In other words what I am trying to say is that we have a perfect framework in which to provide the ideal environment for all sorts of larceny, both petty and very grand indeed. I hope you will protect our interest with due and extreme diligence.

Incidentally, if you don't want to trade out the 50-50 split of the additional tax at the Slipper at the closing, I understand completely. If you were to force the issue, this, and make an enemy of Shapiro et al at this point, he could do us untold harm between now and closing date.

4/23/68

Bob -

I don't think we should wait another 5 minutes before we correct the record wherever the A.E.C. maintains we have had ample opportunity to protest the explosion including a briefing about a month ago but that to this very moment neither the A.E.C. here or in Washington has had any communication from us making a request for postponement.

I think most strongly that you should go clear back to the protests we made about one of the other shots and to the promises that were made to us that there would be no more large explosions in Northern Nevada (not even as large as "Grealey" which was only about 750 kilotons)

I think you absolutely must reveal the name of the man who made the promise to you and establish the truth of those meetings about 18 months ago. The precise date etc.

The importance of the above is to prove we were not delinquent in waiting so long to protest "Boxcar" specifically. In other words, we must

establish that we made our
position fully known before
the other large explosion and
that according to them, made
the promise there would be no
smoke. So, in this case it
must be our position that our
concern was already known
to A.E.C. and that when A.E.C.
announced "Boxcar" they thereby
violated their firm agreement.

Many thanks,

Howard

FEDERAL BUREAU OF INVESTIGATION
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17 Page(s) withheld for the following reason(s):
Duplicate copy of previous 17 pages, Hughes letters

For your information: _____

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6-8-68

Bob - I dont understand your message wherein you say: "stoward, perhaps I am being too rough in my insistence that we not go the figure of \$22, because, in fact, etc., etc."

Bob - what do you mean - your insistence not to pay 22. I am the only one who refused to pay 22 - as witness my offer of $21\frac{1}{2}$.

Surely if you dont think the offer of $21\frac{1}{2}$ originated with any one other than I.

stances contact either Bezor or Thrall for clarification of this point. Please do not initiate any kind of a contact with either of them prior to your meeting tomorrow. This is most important.

I seek only your own interpretation of the things he has said.

Please let me hear from you and then please contact Long re Curtis and ask him for up to the minute report. This last is most important.

After the above, I have a couple of very important items which bear upon Air West, and which I feel we should discuss before you leave for the meeting in Seattle - probably this afternoon. Please let me hear from you in full on the items requested therein and I will have my subsequent questions all properly listed and ready for transmission.

many thanks,

Howard

7-30-68

Bob -

In the historic material you furnished to me relative Air West, there appears the following paragraph:

"By January 1967 it became apparent that an intra state operator would introduce service between San José and Los Angeles, Pacific's largest single market, with fares which were non-compensatory to Pacific. New route authority had been sought in July 1966 to profitably utilize the tri-jet equipment but no suitable route awards were granted by the Civil Aeronautics Board."

Stoward

Bob -

Now that things are again
a compatible status between us,
it seems that there are literally
hundreds of matters crying for
attention. I hope you don't
mind my heaping them upon
as I know you are going to
Washington this coming week
and I would like to see if
I can put some of these items in
your work before you leave.

I will plan on holding
the local industrial activity in
we resolve the air-carrier
program. I am sure Roy has
clarified my feelings about
Air-West. Incidentally, one thing
I did not ask Roy to tell you
is that it naturally follows my
view of the permanent policy
choice as I explained to you
that I prefer to buy assets
from Air West Inc. instead
buying stock in the existing
West Corporation. Just as
the case of Curtis Publishing
Co.

I recommend you not
tion to the Gov. any delay in
the start of the new activity
activity while you are in
him would be a good idea.
I suggest you discuss this
and hope you will be able to

Bob - I am confused by the constant reference to a basic agreement on the numbers. It seems to bring this up at the time. You may remember at one time he wanted to be left alone for the weekend so he could study the numbers and come up with a final decision.

Bob, I don't understand a kind of talk unless he is attempting to keep the door open for a later retrading of the deal on new terms. As you remember, when you first contacted him he "very reluctantly" as you described it, he made up his mind that he would have to sell out and he was prepared to deliver the stock that he and his friends controlled at the market, 15 plus a certain fraction. Now I ~~don't~~ have deliberately asked not to trade or haggle this with him or with Thrall. So this leaves me without an explanation as to what kind of a "basic agreement on the numbers" he may be seeking unless he has now decided that he should charge us a higher price than originally indicated. Please, under no circum

taken at once to terminate the Air West deal in toto and so announce it.

In other words, Bob, if the 16+ million can be recovered, without legal defects or problems, and without substantial criticism, I am ready to say "go".

If not, please ask Chester to prepare immediately a step by step program to accomplish the most graceful possible termination of all Hughes Tool Company liability in connection with, or in any way related to Air West.

Bob, please delay your call to Chester until early AM. That is important. Also, please ask Chester, re. the dictation I have requested to be accomplished via phone to my staff, I ask that no copies be made of this by Chester or his secretary.

Also, whichever way this Air West decision is indicated to fall, in accordance with the decision I have set forth above in this message, I do not want such decision to be disclosed to anyone, and

that we are busy with the air-carrier inauguration and that we cannot do both at once. But I repeat I recommend we not mention the industrial activity. If he brings it up, please let me know.

I am sure Roy has explained that it is my preference to acquire Air West and service Elko - Ely etc, with same. However, I urge you promise Saxalt he has a reliable commitment for the required service into Elko, Ely, ETC., and we do not want him to reveal who has made the commitment but I think we must permit him to tell Elko & Ely ~~that~~ that service will be forthcoming and that he (Saxalt) has a firm commitment for this. Otherwise Elko & Ely will continue their efforts to line up somebody to provide the service, and this we positively do not want.

I urge you say nothing to Saxalt about Air West at all. Just I guarantee the service without saying how.

Re Air West, I urge we start immediate negotiations with Converse to buy from

Bob -

I cannot begin to tell you how bitterly I feel about the entire situation. If it were not for Air West, I might not view all of this with such resentment.

After all, I got into Air West through your guidance and recommendation, I did nothing really in the entire affair but to follow your recommendation, step by step.

Now you propose to walk off and leave me with Air West, and I don't know how you can ever begin to consider this fair. I protest this in the very most emphatic way. Why don't you persuade your new affiliates to take over Air West, then I will not take issue with what you want to do.

But to walk out and leave me holding the commitment to buy Air West! This just seems to me to be unthinkable.

I will appreciate your very careful consideration and reply.

West deal from the economic standpoint, but I am concerned about the general underlying attitude of people in this community toward everyone associated with me if the Air West company collapses.

Please give me your feeling about all of this.

Howard

I do not want such decision to be implemented, or any action to be taken in connection with it, until I have received such decision in the form of a reply to this message, and, further, until I have given a confirmation of such decision to you and Chester, following receipt by me of the communication described above.

Please advise,

Howard

4. Air West - I feel most strongly that this situation should be decided and announced just as quickly as possible, Bob. There seems to be a growing amount of curiosity on this, and I am certain that, if definitive action is not taken soon, there will be adverse consequences.

Bob, I think it is urgent that you contact Chester at once and ask him to dictate over the phone to my staff a step by step simple, completely fool-proof plan of action to accomplish consummation of the Air West purchase including the feed-back of the 16+ million, which is really the key to the entire situation.

I realize that 16 million may be small in comparison to the total involved, but I consider that this 16 million is simply the difference between go and no-go. As, if there is going to be some technical fiddle in the plan to recover this money, I should know it now.

Also, if there is likely to be any substantial criticism of this 16+ million off-set, I should know that immediately in order that steps may be

11/9-3:15 PM
Bob -
Regarding the launching,
I previously conveyed to you
my full approval for
your attendance at the
launching, per se. How-
ever, that was before
I learned the president
would be there.

Bob, I consider it
imperative that you
not meet with the pres-
ident at the time we
are discussing. Other
than that, I have no
desire to constitute a
problem for you.

Now, Bob, please let
us discuss briefly the
Air West situation.

Frankly, I was sur-
prised by the extent to
which your thinking seems
to have progressed toward
abortion of the Air West
purchase.

Bob, are you convinced
this outcome is unavoidable?

I understand fully the
disadvantages of the Air

flights. While
Silver has been
above any other air
line.

Also, as you are
well aware, with the
apparent impossibility
of avoiding the use
of Lake Mead water
in this area, I have
been unwilling to go
ahead with the new
Rands Hotel and
many of the other
projects I had been
planning, and upon
which I had relied
to increase the flow
of air traffic to
Southern Nevada.

With all these
circumstances

into conformity with my
last message on this
subject,

If he can obtain
CATS's consent in this
regard, I can go ahead
and execute the present
documents so that the word
can be passed out im-
mediately that this has
been done, which, both
Chester and I feel will
have a strengthening
influence on the market
and lessen greatly the
chance of some unwanted
last minute action by
some strike lawyer.

And the use of the
word "strike" is no pen.

Many thanks,

Howard

So, Bob, I still await a suggestion of what is to be done if the TWA requirement should materialize tomorrow, followed by the Air West requirement a week or two later.

Regarding this problem, have you thought of going right in to TWA, as I have been urging continuously for more than a year, and trying to make a quick, simple cash settlement of their claim?

Regarding a new name for Air West, I will not resist the changing of the name. However, I think it would be a mistake

deal will involve, in terms of price versus assets less liabilities, including some kind of an estimate of losses anticipated during the first six months, I just cannot make any really definite plans.

When you ~~were~~ were to Seattle, Air West was the biggest operation between Los Angeles and Las Vegas and, with route pending, appeared destined to hold the only certificates between Las Vegas and Phoenix, Tucson, Reno, and other important terminals.

to me of
will be considered as
contrary to the agreement
I have described above
and provided the revision
~~conditions~~ to the CAT
conditions will be
sufficiently broad, and
drafted in such a way
as to correct completely
~~any one of~~ a variation in
the points recited in
the ^{said} letter from Nick
West ~~recited above~~.

~~My sincere thanks~~
~~exist~~. I am sorry
for the delay, ^{Chester's} but
draw your attention
to the fact that I still
have not received any
figures revealing even
approximately what the
proposed purchase is
going to embrace or
cost.

You have been in
negotiation for weeks
endeavoring to find out

have not been given a
single figure.

I am still relying
solely upon his and
your implied assurances
~~rationally~~
~~accepting that~~
that the outcome of the
monetary negotiations, which
have been in progress
with respect to the acqui-
sition of Air West,
will not be a disappoint-
ment to me when they
are ultimately made
available to me.

My deepest and most
sincere thanks,

Howard

just what JTC Co is
contemplating acquiring,
and what condition
it is in.

I have asked repeatedly
for some kind of figures
which ~~would~~ might give
me at least an estimate
of the outcome of these
negotiations.

provided they will be revised to conform to what I am sure is the only basis upon which anyone could, even remotely, contend that ~~any acceptance could have been implied~~ any acceptance might, by omission, have been implied - that is to say provided the CAB conditions will be revised to the extent that they will be no more inclusive or severe than the ~~most lenient of the~~ conditions imposed in the ~~cases~~ ^{instances} ~~recited herein~~ of ~~ownership~~ airline holdings by ~~other~~ corporations, ~~recited herein~~ or in similar cases not mentioned herein, ^{if any,} based upon the most favored treatment given.

And further provided the ~~points mentioned in~~ variations mentioned in Mickey West's letter

to select a new name,
even confidentially, while
there is even one chance
in a thousand that the
overall deal might
be aborted.

✓ Bob, if you want to
see the Air West matter
brought to a position
representing closure or
rejection, as I do,
I urge that you en-
courage Chester to get
to me some kind of a
very brief analysis of
the financial adjustments
which have been nego-
tiated, together with his
estimate of what further
adjustments will be
obtained prior to closure.

Until I can see
something that will
enable me to under-
stand just what this

What you suggest concerning the Teamsters Pension Fund may have some possibilities.

However, I think a long careful look should be given ^{at} ~~to~~ the possible ramifications that might follow in the form of a downgrading of ~~the~~ ^{the} over all financial image of H.T.Co.

Don't forget that Teamster's Fund money was financed practically every one of the entities in the state which have housed the multitude of underworld personalities who have drawn the mass of public censure, supposedly improved by our entry onto the scene.

this way!

I see no alternative to fulfillment of whatever commitment may exist.

✓ I want to see the figures I mentioned earlier in this message in order to estimate just how expensive the fulfillment of such a commitment is likely to be.

I also want to be sure that, in my judgment, the full credit due under the agreement has, in fact, been allowed.

Please advise.

Many thanks,

Howard

There was no
indication that Air
West could dominate
the Las Vegas from
San Francisco route, and,
in general, ~~be~~ by
far the largest
carrier into and out
of Las Vegas, where,
I felt, with the ful-
fillment of my plans
for this area, big
things would happen.

Now, all that has
changed.

Air West no longer
dominates the Cal-
ifornia Las Vegas
traffic.

I hear a surmise
every day say-
ing how much

~~respectfully,~~

I distinctly remember a letter drafted by you which I assume was transmitted to the C.A.B., and which said in substance just what I have set forth above.

I therefore am willing now, this morning, provided there will be no further delay, to accept the C.A.B.'s conditions,

95-211845 FF K10

FBI

LABORATORY

Bob -

I agree with you fully, if anything is do-able, with Lockheed, I will just have to solve the Air West problem later.

I am prepared to move ahead full speed with Air West now with no further uncertainty.

In view of this decision, it would be a shame to have some unnecessary stockholder trouble erupt in Air West and give the appearance that I was forced into making the deal.

So, please try to persuade Chester to make an immediate all-out effort to obtain CAB's consent to revise the documents concerning these conditions to bring them

losses.

Please advise what you think can be done. I don't want to go into a whole new negotiation. And, upon careful consideration, the plan of a reduced percentage of ownership does not seem desirable for a number of reasons, even though it was I who most recently suggested it.

Many thanks. Please
reply,
Howard

Bob

Please give me the details, with dates, the figures, the round numbers, and the mechanics, as best Chester and you can determine them, of a step-by-step program designed to assure smooth and optimum accomplishment of the acquisition of Air West with the 16+ million of the purchase price being retained in the Air West treasury as you described

In other words, Bob, I want you to lay this program out, so that, if I decide to ignore caution and common sense and go ahead with this deal, it will be, ~~at~~ to the extent practical, understood by you and Chester, and so that you will not uncover, at that time, some unexpected problem or pitfall.

I want to know for sure that this 16+ million is in truth a sum which may, in the manner Chester described, be salvaged

Because, frankly, without this offset, I would not

about the present owners
being required to defray the
losses to the time of delivery.

Anyway, to explain
further, my proposal is to
advance all the funds necessary
for the operation of the air-
line, and also to make a
deposit immediately, in an
amount almost of the full
sum estimated to be due on
July 1st 1970.

I am willing to take all
the risk interposed by the
conditions demanded by the CAB.

In other words, TSB, in
order to get this matter
settled at once, I am willing
to gamble on your political
ability, and assume that you
will obtain such changes in
the present decision of the CAB
as may be absolutely necessary.

I will take the risk of
the CAB ruling and the problem
of living with it.

However, as I see it,
there is such a lag in the
effectiveness of any kind of
reforms which might be intro-
duced into the Air West

Bob and Chester

1/2/70 9:30 AM

News just reported the airlines losing 5-10 million a day. How much of this is Air West, and what do you plan to do about it?

~~Bob~~, I think something must be done by tonight to estimate the losses and some emergency measure must be adopted, because JTC's simple does not have the resources to sustain this kind of an impact.

Please, reply,

Howard

Bob -

Re Air West, you say you recommend consummating the transaction provided it can be done without making DFT Co an air carrier under the terms of the regulations governing the CAB.

But you do not suggest how this might be accomplished.

I understand the opinion of the CAB provides substantially that DFT Co would become a carrier if it acquires the airline under the contract.

Also, what about the 16 million which was stated to me to be salvageable in one way or another if the deal should be concluded?

Are you recommending fulfillment of the contract at 22 per share, with no effort to save the 16 million?

Please reply soonest possible, Howard

Bob-

8-2-69
11:15 AM

I am informed by Chester that a decision must be reached by Monday (I assume early AM) concerning Air West.

I am sure you are aware of the seriousness of this problem.

If Chester should notify the Air West people and the CAB that it is the decision of S&TC not to proceed, I am sure the consequences, in terms of loss of whatever standing I may possess in Nevada, California, and, even in some degree in Washington will be serious.

On the other hand, if I go ahead as now contemplated, I will face in the next two years the first financial insecurity I have undergone since the TWA episode.

also, I may be forced, in defense against the above, to liquidate substantial assets in the period ahead of economic depression which the nation is definitely facing.

I hope you will give this problem the benefit of your most perceptive consideration, and plan on spending the rest of the weekend assisting me in reading

Bob -

You say the solution to the problem of acquisition of Air West without bringing D/T Co under the jurisdiction of the CAB is something you cannot accomplish without further advice from me, but you don't say what advice you seek.

Please explain,

Bob, I know this sounds odd, but I cannot remember the 3rd item. It is equally important with the other 2 so that makes it even more surprising that I have forgotten it. However, I will remember it very soon and convey it to you just the minute my brain starts to work.

In the meantime, please let us get rolling on the other two really right away. I'm cidentally, I will get started on the Hank deal at once and try to have a go ahead for you before the day is over.

Please let me hear something on the Holiday Inn problem the minute you decide who to contact.

My very best wishes,
Stoward

Bob -

4-69
9 PM

Here is my final decision
re Air West:

I will contract immediately
to take delivery of the airline
July 1st 1970 for the terms
now agreed with the net worth
as delivered to be the amount
specified.

I will give the present
management ^{the} undisturbed op-
portunity to run the airline
in any way they see fit until
the date of delivery. So, if
they want to complain about
anticipated losses in the
intervening period, my answer
is that the losses need not
occur if they are serious about
the operation of this airline
being capable of being salvaged.

If the company is beyond
redemption, then why should
I buy it at all?

In other words, Bob, as I
see it, I am prepared to buy
the airline and assume the losses
from then on, ad finitum.

So, I cannot get very disturbed

The right decision in if there
is one.

many thanks,

Howard

by any outsider
operation. That there is
absolutely no chance of achieving
any real kind of significant
improvement in the profit
and loss figures sooner than
July 1st 1970. Present manage-
ment can do it better than I can.

What I am saying is that,
the p. & l. figures for the
first six months after pur-
chase will not be the outcome
or result of new management.

The results of the first six
months will be the handi-
work of the present manage-
ment. So, I don't see why
I should be responsible for
them.

I will finance the operation
fully, and not interfere
with present management.
Also, I will pay now the
bulk of the total amount,
which will serve as a deposit,
or escrow, to guarantee
that the transaction will
be completed.

If the management does
not want to be responsible
for additional losses, let
them lay a few people off and
take some steps to cut the

Bob -

If you agree, I recommend sending the following message to Chester:

~~I am sorry to hear that~~
Chester -

This is my position:
I feel that the new corporation, Hughes Air, was formed, and I accepted serious hardships when I consented to its formation, for the specific purpose of permitting the acquisition of Air West by H.T.Co. with no more conditions being imposed by the CAB than were imposed upon H.T.Co. in the case of its ownership of TWA and Northeast, or upon S.T.V. or Gen. Tire & Rubber in the case of their ownership of Braniff Airline ~~and~~ Frontier Airline.

I cannot begin to tell you how bitter I feel about this entire situation. If it were not for Air West, I might not view all of this with such resentment.

After all, I got into Air West through your guidance and recommendation. I did nothing really in the entire affair but to follow your recommendation, step by step.

Now you propose to walk off and leave me with Air West, and I don't see how you can even begin to consider this fair. I protest this in the very most emphatic way. ^{Why} don't you persuade your new affiliates to take over Air West. Then I will not take issue with what you want to do.

But to walk out and leave me holding the commitment to buy Air West! This just seems to me to be unthinkable!

I will appreciate your very careful consideration and reply,
Howard

the AEC and the pollution of the water supply with lake water. Now, these two seemingly insurmountable obstacles seem to ~~be~~ be solved. The AEC I am leaving to you with full confidence. The water supply has suddenly been resolved. Don't ask me how, but it has been miraculously solved. Perhaps I should say more accurately, that a plan has been presented to me which is so good I am willing to take my chances that it will be saleable to the authorities. So, this leaves us with the three more recent problems which I mentioned at the start of this paragraph.

These three are:

1. The new show boat.
2. The race track, (dog and horse) legislation which must have the most immediate attention.

3-23-69 @ 7:20 AM

Bob -

Please have absolutely no uncertainty whatsoever about my position concerning the new routes being sought for Air West I promise my all out backing to the full extent. That is why I am moving toward sale of some of the properties I mentioned.

I will let you know about the mining properties soon. However, I do not think in terms of selling these I prefer that this business be developed ~~as~~ as a part of Hughes Tool Company.

I prefer the following plan after the most careful consideration and re-consideration over and over. Please let this plan be definite with no further ~~consideration~~ uncertainty

To be sold:

1. Culver City real estate (I will contact Web immediately and follow this up.
2. Oil Tool Division, Aircraft Division

~~the~~
with the legislators,

The legislature that when we receive control of the airline they can be sure of one thing - and that is that ~~the~~ the service will be as good and the fares as low as we can ~~(with the assistance of diligence and modern technology)~~ make them, and still permit the airline, with its employees and other contributions to the economy, to survive. And further, in this effort, we expect to employ ~~both~~ diligence ~~and~~ as well as modern technology.

Please let me hear from you on this,

Howard
P.A. I urge that we do not argue the point of whether the service is good or bad at present.

I think we should also point out to our friends in the Nevada Legislature that the airline is losing money at the fantastic rate which you know and can reveal to them I hope. You might check this with Chester.

Then, it would be my suggestion that we tell the legislators that the minute we have control of the airline we will attack its problems in this order:

1. Better service.
2. Try to reduce losses which is urgently necessary if we ~~and~~ ^{or} the legislators hope for ~~to be salvaged~~ the airline in any form. In other words, if we hope to have an airline remaining when the dust settles, we must avoid it going bankrupt in the meantime.
3. To improve and reduce ^{the} ~~fair~~ ^{of} the economy structure

Bob -

I hope they have
plained that I want to
proceed with Air West negotia-
tions but at the same time
I feel we can wait only so
long in the announcement
of the Intra State project.
I urge that we utilize
this intervening time to get
some real specialist CAB
and FAA lawyer and see
just what federal laws if any
may be involved in this plan.
I don't intend to go to Cook
at all. Also, I think you
should ask Dick (on the basis
of the most impenetrable secrecy)
to ascertain what state
permits etc. may be required.
I am sure we cannot just
start flying passengers and
cargo for hire without some
kind of a pedler's permit or
such like, and plenty of
people will be ready to laugh
at us if we stub our toe.

Please let me know,

Stoward

and (for Fayal) the rest
of Nevada.

Now, however, please give
me your views, and then
please do not do any work at
all - not ~~to~~ even the roughest
revision to a rough map -
until you and I collaborate
further on this.

I have no taste for a
proxy fight. I do not let
anybody know this, but I tell
you. I think the delay
would be devastating in a
hundred of our other projects.
We need this Air West deal
settled off or on now! Many
other matters hang on it.
We must settle with Converse
or call it off. It is just
like the Stardust. We lose
in a hundred ways by these
long periods of uncertainty.
I can prove all of this when
it is not such a critical
time.

Please take my word for
it. Many thanks,

Howard

but whenever they were
right up against the wall,
somebody always seemed
to remember a few dollars
they had hidden away
somewhere that everybody
had forgotten about.

Anyway let me know
what you and Davis
recommend we do on all
points,

Stoward

And the fact that Braniff was a publicly held corporation did not help it one iota when they lost Braniff. ~~Only~~ Only North West which stumbled around with its tyroops, etc. failed to prosper.

Always the companies that fell by the wayside were those without strong leadership, the ones that became embroiled in proxy-fights etc.

Bob - this historical pattern of each really successful corporation being dominated by one family or one group is not confined to the airlines by any means. So, now you know what I think about converse's theory.

However, he is going to be a tough nut to crack, and if you feel we should pass this one over, lets talk to O'Neil again, right away before he gets some input about our difficulties.

Please let me hear,

Howard

we have encountered since coming here. Cook is responsible for the helicopter losses, and I share with you the responsibility for the Las Vegas expenditures. However, that does not make ~~the~~ ~~loss~~ the financial horizon any brighter.

I am concerned about Air West because I don't think I can afford this acquisition at this time.

I have not ever at any time suggested doing anything that would constitute a default of any of our clean cut obligations to Air West.

In fact, when I proposed giving Air West 2,000,000 now and the rest as required, I said clearly this suggestion should be considered only if the CAB would not become upset about it.

I realize we cannot unload Air West tomorrow ~~we~~ but I also know that if we are going to work toward the objective of

~~General~~ ~~Jan~~
Bob - Before it can be determined whether the undertaking of purchasing Air West is a wise and prudent venture in which we should become engaged, is it not going to be necessary somewhere along the line for a determination to be made showing just how much this operation is actually losing every tick of the clock that goes by?

that I feel this is something ~~that~~ must be known. Otherwise, we don't really have any idea how much ~~it~~ may be lost before the trend can be reversed.

Please let me know whatever you may have learned in this direction.

My sincere thanks, ~~for it~~.



West, at all, either dead
or alive. I have reasons
for this request.

I would not stress the
100% approach. God! How
I wish I had taken Mr.
Bez's stock at 15 dollars
a share and not even
talked about 100%. That
is when all of our trouble
started. Anyway lets not
make the same mistake
twice. Lets just discuss O'Neil's
stock and not mention any
of the other stockholders at
all. If he brings some of
the other stock into the dis-
cussion fine - just listen,
but please do not make any
proposals for any of the
other stock. Also please dont
propose a price for O'Neil's
stock - just the fact that
I want it, but no clue
as to how much, I would
let that develop.

many, many thanks, please
give me your views on
the above,

Howard

from my god-forsaken TWA experiences. Believe me when an airline starts losing money, you simply have no idea how fast they can lose it.

TWA was losing \$3,000,000 a week at one time. How long can anybody absorb that kind of a loss.

I don't know if Converse is the man, but I tell you that somebody is sitting up nights with this Air West dilemma and we ought to be sitting beside him right this minute.

I will be happy to give Niers the job if we get Air West. I have never considered Seymour for this job, but I will appreciate it deeply if you will not permit that to leak out. I would have been hesitant to tell you this last week, but I am assuming that all of our troubles are behind us.

Let me hear at once please about Air West. I ought to see a rough break-down of the balance-sheet and then I should have the number of shares of common and the dollar value

0 0 8.37

Bob - I think it is a mistake to sit on this situation from now until the stockholders' meeting. Now, I am not saying this is what should be done. I just want your comment. Suppose we say to Bez: "How about selling the block of stock originally proposed (in excess of 50%) at the price originally proposed (15 and a fraction dollars per share) then

Bob - If they could deliver the present ostensible entity for about 20⁰⁰ a share, we might consider it attractive, but we have no reason in the world to think our troubles ~~are~~ ~~would~~ be over. In fact they might be only beginning.

Would they like ^{us} to place 20⁰⁰ a share in escrow on a deal whereby they would only receive completion of the escrow if some of these new routes are actually realized?

Under my proposal, they would get \$1,500⁰⁰ bills - bills, and be relieved of all further financial responsibility, which they may claim is unimportant, but actually I know to be very important indeed to them.

Then they would get the additional \$3⁰⁰ per share if a reasonable route structure follows. They would have no responsibility to produce earnings, ^{or to absorb losses,} only to give us a workable route availability.

of all the funded indebtedness.
Also, the market price - high
low, and recent ever since
the merger took place and the
new company was formed.

But bear in mind not
a word of this must leak
out. Too, I assure you
that if my name is linked
with Air West, even in the
most nebulous way, that
stock will shoot up on the
market like a rocket.

Let me hear from you,
am very anxious. Many thanks

Howard

the Corporation all its assets at a figure to net the stockholders a price above the market value.

I urge we insist Converse keep our negotiations tightly secret. If they leak out, the stock will bounce now and we will not be able to afford a price to satisfy the stockholders.

This plan necessitates that the stock edge downward with the existing continuous bad news, and then that we come along with a spectacular offer to pay the stockholders in liquidation a price substantially above the market. Any rise in the market before our offer will adversely affect the plan.

I think a ratio between market value and liquidation value under our offer should be on the order of 6 to 7.

In the ABC tender offer the ratio was 6 to 7.5 actually 5.85 to ~~7.425~~ 7.425, but ABC was not in real distress. Air West is. It should be obvious to Converse by now that he has got a tiger by the tail. I know

Bob - your suggestion is that we assist Air West (to the extent that Converse and Henry will permit) toward the objective of determining accurately the present financial statistics relative to the Corporation.

My suggestion is that while this is in process I go ahead and make whatever deal can be made with O'neal. If the Air West deal comes thru, I will have no difficulty in salvaging the one Denver to Las Vegas certificate which I would very deeply like to have (with or without Air-West) and selling the remainder to somebody else.

I urge we deal fast and attempt to inject no conditions relative Air West into the Frontier Deal. If we were to even hint at the possibility of the Air-West deal coming thru, people would sense a merger in the wind and the price would fly. I urge you not mention ~~the~~ Air-West at all.

Let's please just make the very best possible deal for Frontier with no mention of Air-

Bob - Re one man control: It is absurd to presume that there would be any difference in the operation of Air West under 100% Hughes Tool Company ownership or under 51% or even 40% ownership of the outstanding stock by Hughes Tool Company.

In the lawsuits against the Hughes Tool Company brought by the banks and other lenders, the charge was repeatedly made that during the H.T.Co.'s entire period of ownership of T.W.A. starting at 12% and working up to 77% the H.T.Co. at all times operated the company in the most overbearing & domineering way, as if it were a one-man business. This charge was made repeatedly and emphatically. Yet that was the period of TWA's maximum growth and prosperity.

Certainly nobody would deny that Juan Trippe made Pan American - look at stock and barrel. Also C.R. Smith made American Airlines and Dickinbacher made Eastern and Bob Mc made Continental and Patterson made United and Braniff made Braniff as long as he was alive.

Bit -

8-21-68

Have you given any thought at all to a geographic division of our problem? It is my understanding that Converse and others of Bonanza origin have repeatedly moaned about their plight to friends and they refrain seems always to go "Oh for the good old Bonanza days again! Why did I ever get talked into that miserable merger?"

Now if this is the way they feel, why don't we examine the situation and just see if we can put together a package in terms of part of the proceeds of the sale, plus a substantial small airline which Mr. Converse and his associates (with his name on the door as chairman and president etc.) and, with his genius, could develop into another Bonanza which they would own lock stock and barrel with no partners in the form of stockholders, unless they choose to invite a few to join.

We don't need the entire Air West system. We are mainly concerned with the part that serves Las Vegas,

Bob

You yourself have said this is a most important moment. Since it is, will you please do me one most important favor and refrain from reading between the lines and writing your own interpretation of my messages.

Please, I beg you, take them for just what they say. Nothing more.

I am not hesitant about Air West because of you. I am hesitant because I think it has evolved into a lousy deal for me financially at this time.

I said in one of my earlier messages that if you could do something about the TWA judgement I would feel better, but, with that hanging over my head, I just can not go on spending money as if there were no tomorrow.

I don't hold you responsible for all of the expenditures and losses.

1968
11/3/68
Bob - Either you or Roy
misunderstood. I intended
no subversive deal with Bezi
merely a purchase of his
stock at some later date
simply because I feel I
owe it to him.

If you have any
way of giving Roy the
principle salient figures
comprising the guts of the
Air West balance sheet, I
can study it & phone you
in the AM before you
go. I approve thoroughly
of your trip to Wash DC

Many thanks,

Howard

I will give you my
final conclusions concerning
our acquisition of A. W.
in the A. M. I most
likely I will recommend
going ahead. I just
don't like being forced to
do so.

telling the airline, whether
now or later, the ~~best~~
~~smaller~~ the sum
we have advanced to the
airline, the better.

Also, ~~from~~ from my
experience in keeping a
financially distressed TWA
with its head above the
water for many months,
I know that the more
money an airline has, the
more ~~it~~ it spends. Air
West is abundantly ex-
travagant and wasteful. You
said so yourself when
you first came into con-
tact with it. So, I
reason that it won't
hurt a damn bit for
these characters to cut
a little fat off of their
waistlines and to be in
close proximity with the
bottom of the money
barrel for a while.
Nothing encourages economy
so much as not having
anything to spend. I remem-
ber in the TWA money
crisis that many times
the executives of TWA
screamed bloody murder,
and bankruptcy seemed
right around the corner,

Bob - 3-21-69
I hope you are going to be available and able to pursue the Stark situation starting this ~~afternoon~~ evening. I will give you a number in just a few hours.

Something else is urgent. I strongly want you to read all of the news releases on the legislative protests about the increase in fare for Air West.

I think we should handle this very skillfully so that the criticism does not rub off on us.

In other words, I feel we have a perfect excuse by saying we have no part in the present request for increased fares and that, if we are to expect early approval from the CAB to our acquisition of the airline, we must be over-emp'hatically careful not to violate the CAB rule against a prospective purchaser tampering with an airline before the acquisition is complete.

of the nation permits it.

Also, you might point out to them that the ~~fare~~ being higher than the Los Angeles to San Francisco fare ~~due~~ is not in truth surprising. The distance for the two trips is equal for all practical purposes, and the ~~much~~ much greater density of traffic on the L.A. - San Francisco flight permits much more frequency of schedules and therefore more frequent use ~~and~~ of equipment, facilities, and personnel.

I.E. One ticket seller can sell tickets for ten flights a day and he receives the same salary as a ~~board~~ ticket seller at a less crowded terminal who may sell tickets for only one flight.

However, I think you should tell our friends in

or in the past, and also I do not feel that we should argue their contention that the fare increase, under present circumstances, is unfair. I am sure we should simply say that we are not running the airline at this time, and ^{that} under CAB rules, we cannot interfere with it before approval.

Bob, I think this really needs the skillful touch of the master craftsman.

^{Howard,}
~~I suppose you noticed that, as I predicted the firm "Jet-Craft"~~

To be retained permanently
I tolds (I have decided
this one once and for
all. I want to acquire
even more hotels and
to build this operation
to be the greatest thing
in the U.S.)

Bob, this is a business
that appeals to me, I
want to go ahead and
build the new Sands
and I want to start
immediately on the
most exciting race
track ~~in~~ ever heard
of. The Stardust
track has folded, and
I think I should
announce this new
project quickly before
somebody else does.

Bob, I have only three
really serious problems
that might prevent
an activation of the
mining properties, the
~~hotels~~ new hotels, the
automobile (big car)
race track, and even
a few more Nevada
projects. I have been
hesitant about the
future of southern Nevada
because of two factors